DOCUMENT RESUME

ED 321 813 JC 900 407

TITLE	Looking Ahead: Data for Planning. California Community Colleges, 1987-88. Report No. 877.
INSTITUTION	California Community Colleges, Sacramento. Office of the Chancellor.
PUB DATE	Dec 87
NOTE	29p.
PUB TYPE	Reports - Research/Technical (143) -- Statistical Data (110) -- Reports - Descriptive (141)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	Budgeting; *Community Colleges; Economic Factors; *Educational Finance; Educational Legislation; *Educational Trends; Enrollment Projections; Enrollment Trends; *Futures (of Society); Labor Market; *Population Trends; Public Policy; Social Change; State Boards of Education; *Statewide Planning; Student Characteristics; Technological Advancement; Trend Analysis; Two Year Colleges; Vocational Education
IDENTIFIERS	*California

ABSTRACT

Prepared to help community college planners and policy makers identify likely future conditions and draw implications from that information, this report focuses on those statewide trends and policy directions considered important to the development of educational programs and services. Specific areas covered in the report are: (1) demographics, including data on population growth, age, ethnicity, educational level, disability, and income level; (2) social and cultural changes related to families, children, teenage pregnancy, and values; (3) technological change and job markets, including information on job growth, labor market structure, and training; (4) the economy, including data on personal incomes, unemployment, and the consumer price index; (5) enrollment projections and assumptions; (6) public policy related to the Board of Governors, state-level reform, reform legislation and other recent legislation, the California Postsecondary Education Commission, other segments of public education, and federal actions; (7) new directions from the Chancellor's Office concerning academic programs, vocational education, student services education, financial aid, special aid programs, facilities and finance, and other programs and services; and (8) budget trends and projections, including community college trends, cost of living adjustments, budget change proposals, and an appropriation limit. (JMC)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED321813

LOOKING AHEAD

•DATA FOR PLANNING•

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

T. Smith

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

- This document has been reproduced as received from the person or organization originating it.
- [X] Minor changes have been made to improve reproduction quality.
- Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

California Community Colleges

1987-88

CHANCELLOR'S OFFICE

JC 900 407

BEST COPY AVAILABLE

California Community Colleges
1107 Ninth Street
Sacramento, CA 95814
916-322-4656

Report No. 877

TABLE OF CONTENTS

	Page
Context and Purpose	1
Demographics	2
Population Growth	2
Age	2
Ethnicity	3
Educational Level	4
Disability	5
Income Level	5
Social and Cultural Change	6
Families	6
Children	6
Teenage Pregnancy	6
Values	6
Technological Change and Job Markets	7
Technological Change	7
Job Growth	7
Labor Market Structure	8
Training	8
The Economy	9
Personal Income	9
Unemployment	9
Consumer Price Index	10
Impact	10
Enrollment	11
Projections	11
Projection Assumptions	12
Public Policy	13
Board of Governors	13
State Level Reform	13
Reform Legislation	14
Legislation Enacted in 1987	14
CPEC	15
Other Segments of Public Education	15
Federal Actions	15
New Directions from the Chancellor's Office	16
Education Code Review	16
Academic Programs	16
Vocational Education	16
Student Services Education	17
Disabled Student Programs & Services (DSP&S)	17
Extended Opportunity Programs & Services (EOPS)	17
Financial Aid	17
Greater Avenues for Independence (GAIN)	17
Matriculation	18
Facilities	18
Finance	18
Consultative Process	18
Management Information System (MIS)	18
Budget Trends and Projections	19
Community College Trends	19
Cost of Living Adjustment	19
Budget Change Proposals	20
Appropriations Limit	21
References	22

Looking Ahead was prepared under the direction of Chuck McIntyre of the Chancellor's Office and involved Roger Merle and other staff from that Office, along with Robin Richards, Ken Savage and Debbie Thomas on contract with Yosemite Community College District, and an advisory group of community college planners and researchers.

CONTEXT AND PURPOSE

Effective community college planning requires a look into the future to determine what to do as well as how to do it. The often-quoted statement by Peter Drucker that "...the question is not how to do things right but how to find the right things to do..." is especially pertinent in view of the dramatic changes expected to take place in California during the rest of this century. It is imperative that community colleges look some distance into the future as they determine the right things to do. Once this is done, college planners can then develop assumptions and analyses that are the basis for an effective plan of action.

Looking Ahead has been prepared to help community college planners and policymakers identify likely future conditions and draw implications from that information. The document is organized around those trends and policy directions thought to be important to the development of educational programs and services.

While the statewide trends described in **Looking Ahead** are important, they may differ from those experienced locally. Therefore, planners are encouraged to use the document as a "point of departure," reviewing the information as necessary for conditions or trends that are unique to local areas. For instance, job market trends will differ from one region to another and likely suggest curriculum changes that also will differ from one college to another. A bibliography at the back of this report provides a list of resources for local data.

This year's document is a prototype which will be modified and improved for future versions based on feedback from those who use it. Please direct your reactions, comments, and suggestions to the Chancellor's Office, Research and Analysis Unit, (916) 322-4656.

John D. Randall, Interim Chancellor

December 1987

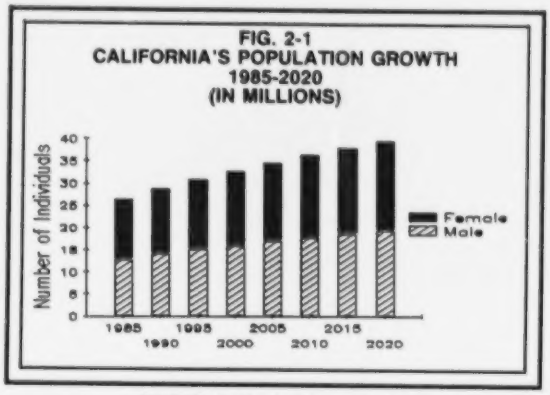
DEMOGRAPHICS

INTRODUCTION

California's population is changing; it is growing at a rapid rate and becoming older and more ethnically diverse. These changes will have an effect on the demand for the educational services provided by California's community colleges.

POPULATION GROWTH

Over the next ten years, the population of California is projected to increase by almost four million people — at the rate of an additional 400,000 individuals per year. About half of the increase will be due to natural increases (births minus deaths) and half to net in-migration.



SOURCE: California Department of Finance.

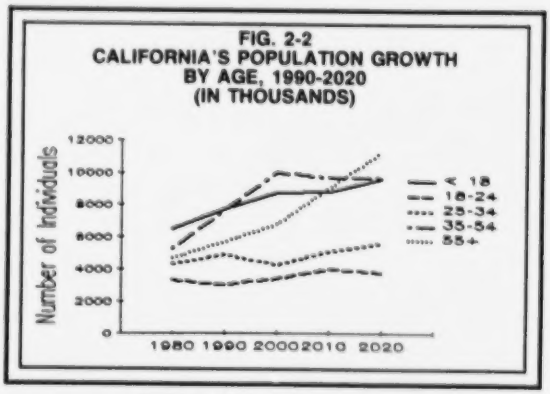
Nine of the state's 58 counties will each have over one million residents by the year 2020. These counties are primarily in the Bay Area and Southern California and represent the largest absolute increase in population over the next few decades. The central valley, foothill and south coast counties will increase the most in percentage and will become a larger part of the state's population.

The percentage of females in California will remain slightly higher than the number of males over the next few decades (50.7%). The largest difference in gender occurs in the over-65 age, where females account for almost 60% of the group.

AGE

The population is becoming older. The proportion of those who are currently between the ages of 35 to 54 is increasing at the most rapid rate. By 1995, this group will represent almost one-third of the state's population.

Because of a slowing birth rate in the past two decades, the 18-24 year old age group will remain fairly constant over the next ten years.



SOURCE: California Department of Finance.

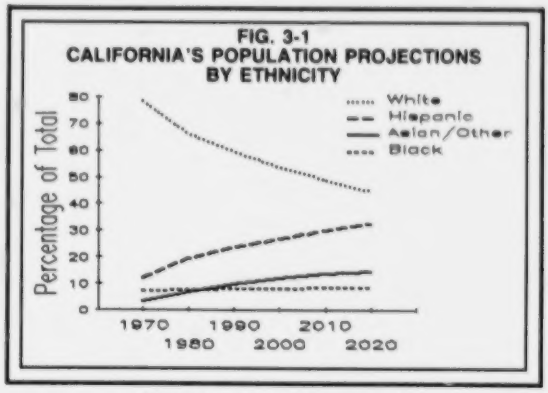
The proportion of older students at community colleges should increase over the next ten years.

DEMOGRAPHICS

The needs of older students are different from those of the traditional 18-to-20 year old students. Many will be working and will have children. Frequently they will be coming back to school for education in a second or third career. The older student, in order to successfully accommodate job and children, will need flexible scheduling, child care, and convenient class locations.

ETHNICITY

Currently, the racial and ethnic minority populations account for almost 40% of the population of California. By 2005, the percentage will increase to about 50%.

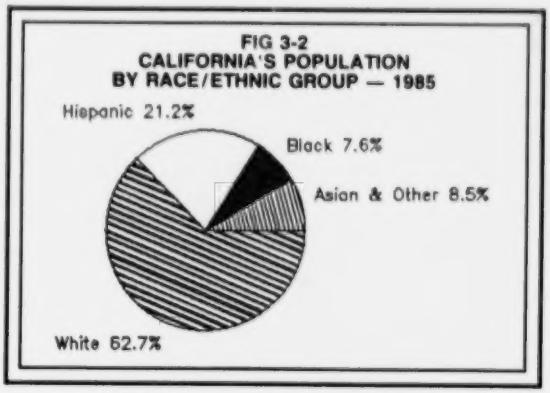


SOURCE: California Department of Finance.

The Hispanic population will increase at the most rapid rate. The percentage will rise from 21% in 1985 to over 28% in 2005. The higher birth rate among the Hispanic population will result in Hispanics becoming a much larger percentage of the 15-24 year old age group, increasing from 24% in 1985 to over 34% in 2005.

Asian and other minority groups represented about 8.5% of the population in 1985. Over the next twenty years, this percentage is projected to be over 12.5%.

Since 1982 California has been the destination for over 30% of the new-arrival refugees to the U.S. Of these new refugees, 75% were from Southeast Asia. Between 1982 and 1985, about 60,000 new-arrival refugees resettled in California. More than 40% of these new refugees were under age 18.



SOURCE: California Department of Finance.

The racial/ethnic minority student population should continue to increase in California's community colleges. They will

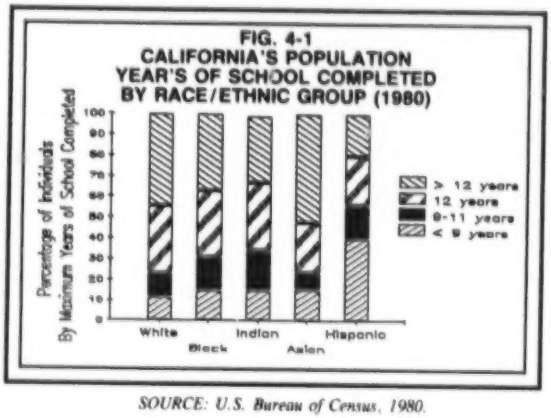
DEMOGRAPHICS

require special services in their educational endeavors. Often limited in their English skills, these students will increase the demand for ESL courses. They come less educationally prepared than other students and may therefore require more remedial coursework. These students will be more dependent on financial aid because of their limited incomes.

EDUCATIONAL LEVEL

According to the 1980 census, 73% of the adult Californians had a high school or higher education. About 42% of adult Californians had some college education.

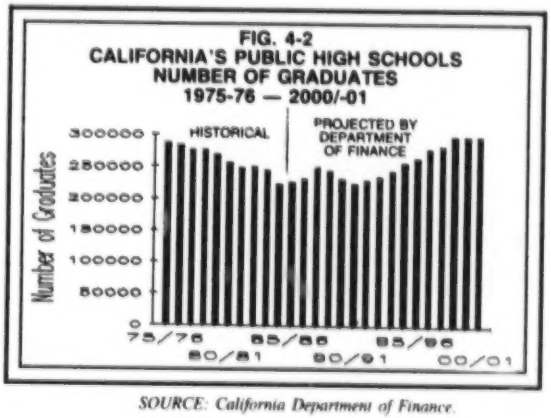
Among the different ethnic groups, the percentages vary greatly. Only about 44% of the Hispanic population have a high school or better education and just 20% have gone on to take some college coursework. By contrast, 76% of the Asian population have finished high school or better, and 52% have taken some college coursework.



SOURCE: U.S. Bureau of Census, 1980.

The number of students graduating from California's public high schools has been declining since 1975-76. The total is not projected to return to the 1975-76 levels until 1997-98.

This decline can be attributed to several factors: a decrease in the number of 15-to-18 year olds in the population, a decrease in the percentage of students graduating, and a modest increase in the number of graduates from private high schools.



SOURCE: California Department of Finance.

High school seniors tested in the California Assessment Program have improved their writing, spelling, and math scores from 1979 to 1985, but reading scores have declined slightly.

DEMOGRAPHICS

California high school students taking the Scholastic Aptitude Test (SAT) have increased their average math scores slightly (475 to 481), while verbal scores declined slightly (426 to 423) from 1979 to 1984.

DISABILITY

Various surveys have been conducted to determine the disability rates for the population. These rates range from 9.7% (1977 National Health Survey), to 10.4% (1980 Census), to 13.8% (1972 Social Security Disability Survey).

About 45% of the disabled individuals 16 to 64 years of age in California are in the labor force. Of this percentage, 35% are employed — 26% full-time and 9% part-time.

Of the estimated number of individuals with disabilities 16 to 64 years of age, musculoskeletal disabilities are the most prevalent (39%), followed by cardiovascular disabilities (15%).

DISABILITIES BY TYPE (ESTIMATED) IN INDIVIDUALS 16 TO 64 YEARS OF AGE IN CALIFORNIA

CONDITION	PERCENTAGE OF TOTAL DISABILITIES (TOTAL ESTIMATED = 1,706,290)
MUSCULOSKELETAL	39.7
CARDIOVASCULAR	15.5
OTHER	9.0
EMOTIONAL PROBLEMS	6.7
RESPIRATORY	6.4
NEUROLOGICAL	6.3
ALCOHOL/DRUG	4.8
MENTAL RETARDATION	4.6
DIGESTIVE	3.2
OTHER SENSORY	2.3
DEAF	0.7
BLIND	0.7

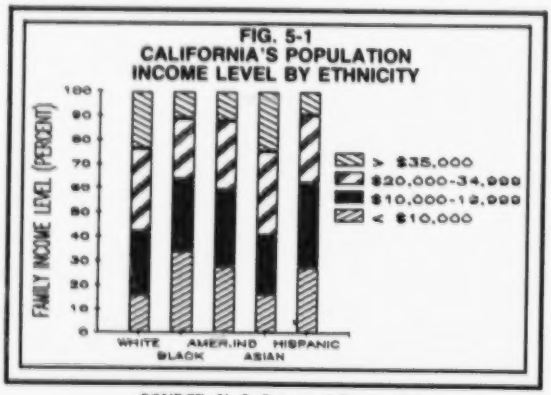
SOURCE: California Department of Rehabilitation, 4/29/82.

INCOME LEVEL

According to the 1980 Census, 18.4% of the families in California had an annual income of less than $10,000. This percentage varied greatly among the various ethnic/racial groups. For example, 34% of black families made less than $10,000, while only 16% of Asian families fell into this same income category.

Incomes reported by California's community college students vary similarly by ethnic/rcial groups, but at lower levels. Of the self-supporting students, over 60% of the Asian students made less than $12,000 in 1984.

FIG. 5-1
CALIFORNIA'S POPULATION INCOME LEVEL BY ETHNICITY



SOURCE: U. S. Bureau of Census, 1980.

SOCIAL AND CULTURAL CHANGE

The lifestyles and values of Californians are expected to undergo rapid change during the rest of this century. The state will become globally more interdependent because of its leadership in science and technology, the educational level of its citizens, its relationship to the Pacific Basin, and continued immigration. In addition, many communities in the state will experience an intercultural assimilation of the kind already underway in Hawaii.

Advancements in science and technology will continue to raise, but not answer many ethical and moral questions — about issues such as creating new forms of life or prolonging life. Because of changes in communications technology and increasing costs of energy and transportation, many more free hours of leisure activities and recreation will be spent at home.

Patterns of family formation are also undergoing fundamental change:

FAMILIES In 1955, three-fifths of U.S. households were comprised of a family unit with a working father, housewife mother, and two or more school-age children. Thirty years later (1985), this unit comprised only 7% of all households.

More individuals are marrying later or not at all. In 1986, 23% of men aged 30 to 34 had never married — a figure that was up from 9% in 1970. For females the figure was 15%, up from 6%.

CHILDREN Three-fifths of the children born in 1983 will live with only one parent before reaching the age of eighteen. Today, half of all children under 18 have working mothers, and the percentage is increasing. By 1990, two-thirds of all women will be in the workforce and, like their male counterparts, will require career retraining several times during their lifetimes. The number of "latch key" children will continue to increase as more mothers enter the job market.

TEENAGE PREGNANCY The frequency of teenage pregnancy in the United States is higher than in all other Western countries and continues to grow. About two-fifths of the two million girls turning 14 this year in the U.S. are expected to become pregnant during their teenage years. California has a relatively high teenage pregnancy rate of 140 per 1,000 teenage women (the national average is 111 per 1,000), although it has relatively low birth rates and high abortion rates.

It is anticipated that with increasing numbers of single parents the colleges will be called upon to provide more child care and other student services.

VALUES Fundamental values and attitudes have been transmitted by the family, but its role is diminishing, and people may become more isolated just when they need to become more aware of community, national, and international interests. Community colleges have a role to play in promoting technological progress as well as the values necessary for a cohesive society through a balanced curriculum in which the humanities and arts are properly emphasized.

TECHNOLOGICAL CHANGE AND JOB MARKETS

California's future economy and labor market, while uncertain, are expected to be generally stronger than those of other states. This strength is due to California's (a) industrial make-up, (more service, communication, and high technology — less construction and basic manufacturing — than other states), and (b) expanding trade with the Pacific Basin.

Despite a generally strong economy, there may be more unemployed Californians over the next decade than was the case in the 1960's and 1970's because the labor force will continue to grow and because increasing technological change will cause more rapid obsolescence of skills and careers.

FIG. 7-1
CALIFORNIA EMPLOYMENT
(IN THOUSANDS)

SOURCE: California Employment Development Department

The average worker will make five or six career changes before he or she retires. While the average training level of workers will increase (simply because they have been in the workforce for a longer period), technological innovation will require retraining of workers to a degree equal to, if not greater than, the training of entering workforce members.

TECHNOLOGICAL CHANGE

Manufacturing is likely to continue to account for two-fifths of the nation's production into the 1990's, but the number of jobs in this sector is expected to increase only by 5% because of automation. By contrast, non-manufacturing jobs may increase by 40%, largely in the service industries where skills often involve communications and information processing.

Developments in telecommunications will accelerate. It is possible that as early as the 1990's, direct broadcast satellites will make vast quantities of information available to most households. Videodiscs, cassettes, videotext, and compact disc home information systems have significant implications for both formal and informal education. Developments in computers are even more dramatic. Surveys project a tenfold increase in personal computers and in central processing capability by 1995. The evolution of silicon chips and related technology will enable smaller computers to process larger amounts of data.

JOB GROWTH

While the percentage increase in high tech jobs will be large, the actual number of persons involved in high-tech positions will be small. Most job opportunities will arise in occupations that already exist, such

TECHNOLOGICAL CHANGE AND JOB MARKETS

as secretaries, clerks, teachers, and janitors. Jobs for secretaries are exhibiting the largest increase — up by 116,000 positions, or nearly 5% of the total growth in jobs during the 1980's in California. The fastest growing occupational area, paralegal, will add just 8,000 new jobs.

FIG. 8-1
CALIFORNIA'S FASTEST GROWING OCCUPATIONS, 1980-1990

OCCUPATION	CHANGE IN TOTAL EMPLOYMENT IN THOUSANDS	PERCENT CHANGE
PARALEGAL	7.6	174.1
CABLE INSTALLERS	1.3	172.1
TAX PREPARERS	3.8	131.8
REDUCING INSTRUCTORS	2.7	104.1
EMPLOYMENT INTERVIEWERS	4.8	85.0
SYSTEMS ANALYSTS	26.5	83.4
TRAVEL AGENTS	7.8	83.2
COMPUTER OPERATORS	17.3	81.9

SOURCE: California Employment Development Department

FIG. 8-2
CALIFORNIA'S LARGEST GROWING OCCUPATIONS, 1980-1990

OCCUPATION	CHANGE IN TOTAL EMPLOYMENT IN THOUSANDS	PERCENT CHANGE
SECRETARIES	116.3	42.7
SALES CLERKS	85.3	28.7
GENERAL CLERK, OFFICE	69.6	25.3
TEACHERS, ELEM. & KIND.	65.4	31.8
JANITORS, PORTERS, & CLEANERS	58.5	24.2
CASHIERS	54.0	31.9
FOOD PREP. & SVC WRKRS	48.4	46.1
SALES REPS., TECHNICAL	46.0	30.2

SOURCE: California Employment Development Department

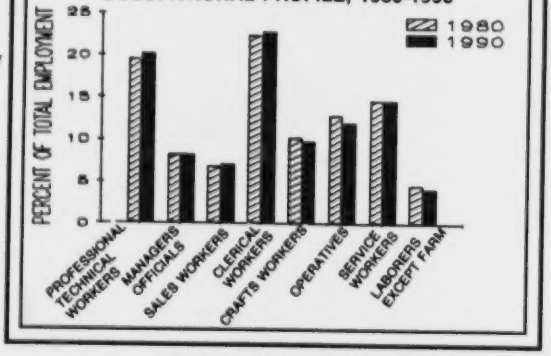
LABOR MARKET STRUCTURE

Some experts argue that because of automation, middle-skilled jobs will disappear, leaving a workforce of some highly skilled professionals and many low- or unskilled, largely service, workers. Others argue that technological change will continue the need for a broad range of skills in the future labor force.

Current trends in California show that as a proportion of all job skills,

- professionals, sales and clerical workers are increasing
- managerial and service workers are stable
- crafts, operatives, and laborers are decreasing.

FIG. 8-3
CALIFORNIA'S CHANGING OCCUPATIONAL PROFILE, 1980-1990



SOURCE: California Employment Developement Department

TRAINING

How community colleges can best educate students for future changes in the labor market isn't totally clear since the market's future is uncertain. It does appear that courses in business, computer and information science, and health professions — now half of all occupational curricula — will need to receive even greater emphasis in the future, as will the training of future teachers. Occupational programs may need to shift their emphasis toward retraining, and the skills taught may need to be more general in order that workers can accommodate an increasing number of job skill changes.

ECONOMY

Economic activity in both the nation and California is expected to continue on a moderate growth path over the next decade. The accompanying projections (Figure 9-1) by the Commission on State Finance are based on the following: a moderately stimulative monetary policy (with the prime interest rate averaging 8.1% over the forecast period); declining federal budget and trade deficits; and no significant external shocks (e.g., another oil crisis) affecting the economy.

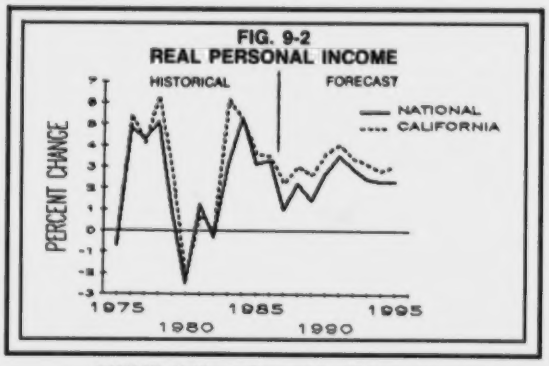
FIG. 9-1
PROJECTED AVERAGE ANNUAL GROWTH RATES: 1987-1995

VARIABLE	UNITED STATES	CALIFORNIA
POPULATION	0.8%	1.7%
LABOR FORCE	1.3%	2.6%
WAGE & SALARY EMPLOYMENT	1.5%	2.7%
PERSONAL INCOME	7.2%	8.4%
INFLATION	4.7%	5.0%

SOURCE: Commission on State Finance

PERSONAL INCOME

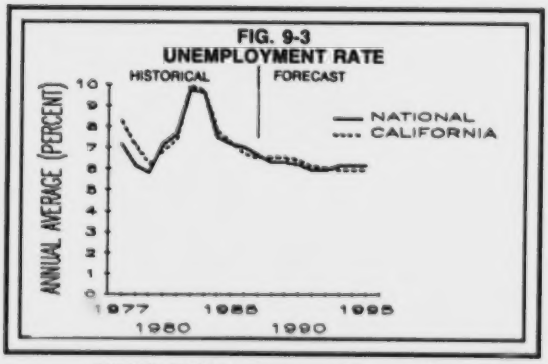
California is expected to continue to lead the nation in economic growth. Fluctuations in the growth of real personal income (personal income adjusted for inflation) for California will mirror the growth nationwide but at a slightly higher average of 3.1% versus 2.3%.



SOURCE: California Department of Finance (Historical), and Commision on State Finance (Forecast).

UNEMPLOYMENT

It is anticipated that the unemployment rate will remain low throughout the forecast period, at an average 6.2% rate for both California and the nation. However, employment and the size of the labor force will both grow twice as fast in California as in the rest of the nation, and despite a relatively constant unemployment rate, there likely will be more unemployed Californians because of this increasing labor force.



SOURCE: California Department of Finance (Historical), and Commission on State Finance (Forecast).

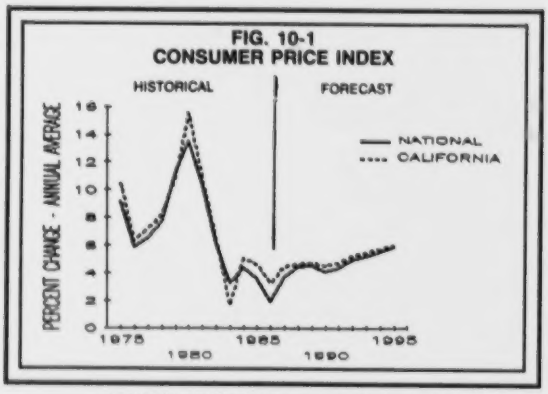
CALIFORNIA COMMUNITY COLLEGES LOOKING AHEAD **10**

ECONOMY

CONSUMER PRICE INDEX

On the negative side, prices in California will also increase at a greater rate than nationwide. The California Consumer Price Index will increase an average of 5.0% annually, compared to 4.7% for the U.S. This is an improvement, however, over the average increase for the prior ten years of 7.3% for California and 6.9% for the nation.

FIG. 10-1
CONSUMER PRICE INDEX



SOURCE: California Department of Finance (Historical), and Commission on State Finance (Forecast).

IMPACT

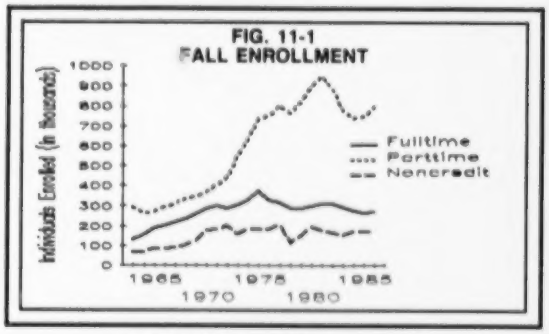
The economy affects both the demand and supply of community college programs and services. The ability of students to pay for higher education may improve if changes in personal income continue to exceed changes in prices (i.e., cost of transportation, child care, and enrollment fees). Also, increasing unemployment could increase community college enrollments as the labor force seeks retraining. A strong state economy, leading to growth in tax revenues (e.g., personal income, sales, and property taxes), will adequately support community colleges only if increased revenues exceed increased costs.

NOTE

Economic forecasts such as these must be continuously evaluated and revised. The recent volatility of the stock market has prompted some forecasters to lower their predictions of growth for 1988, some even predicting a recession. The October 1987 stock market crash may negatively affect the economy (a decline in wealth could reduce consumer spending and capital formation), but other factors, such as reductions to the federal budget deficit and lower interest rates, may alleviate the negative pressures.

ENROLLMENT

Trends in community college enrollments are in part the result of changes in the size and composition of the population, the number of high school graduates, the state's economy, and academic and fiscal policies. Enrollments increased steadily during the 1960's and early 1970's. Throughout the 1970's, part-time enrollments increased rapidly, while full-time and noncredit enrollments stabilized to some extent. Total enrollments peaked in 1981, at 1.4 million students, and declined to just over 1.1 million in 1984. More recent trends show slight gains in part-time enrollment and only marginal increases in full-time enrollment. Noncredit enrollment has declined by approximately 1% over the last two years.



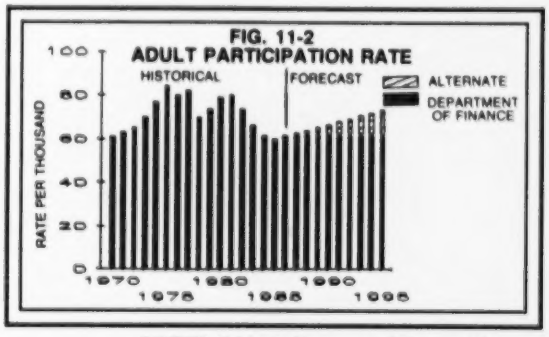
SOURCE: Chancellor's Office, California Community Colleges

PROJECTIONS

Enrollment projections (October 1986) prepared by the Department of Finance show community college enrollments growing at a very slow rate. (Note: New projections, available in October 1987, are slightly higher than the 1986 projections due to higher-than-expected enrollments in 1986 and a larger population base.) Growth in 1986 was just above 4%, while annual projections have enrollments increasing by 1.8% in 1987, 2.2% in 1988, and 1.8% in 1989. For the first half of the 1990s, however, anticipated increases range from 0.2% to 1.4% — for an average annual increase of 1.3% between 1987 and 1995. Total enrollment in California Community Colleges will be approximately 1.4 million by 1995 under these projections, up from 1.2 million students last year.

PROJECTION ASSUMPTIONS

The Department of Finance projections are formulated by applying expected participation rates to county population projections. The expected participation rates are based upon past trends, input from local districts, and a general assessment of the district by the Department of Finance analyst. Past trends in participation rates reflect not only the demand for community college enrollment [e.g., based



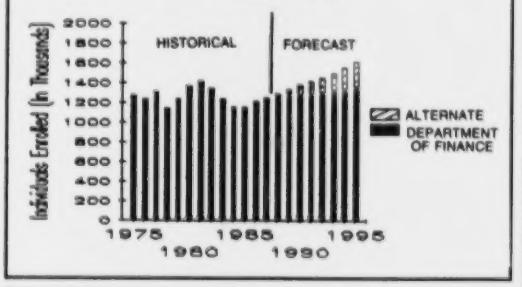
SOURCE: California Department of Finance. (Alternate Forecast by Chancellor's Office, California Community Colleges.)

ENROLLMENT

on population growth, the number of high school graduates, unemployment, prices (enrollment fees)], but also the supply of community college programs and services and the financial support available [e.g., budget cuts such as Proposition 13 (1978) and low cost-of-living increases and funding for growth].

The Department's projections show enrollments increasing over the next nine years, but participation rates remaining constant at 62.0 enrollments per thousand persons in the adult population. This implies that changes in enrollments are only a function of future population growth and current or static economic factors. Except for 1984 and 1985, this is the lowest participation rate for community colleges since 1970. Rates increased dramatically from 32.8 to 85.0 per 1,000 adults between 1960 and 1975. From 1976 to the present, fluctuations in funding, course offerings, and the economy have in part caused rates to become more volatile. The average participation rate between 1975 and 1986 was 73.7 per thousand, ranging from 60 to 85 per 1,000 adults. If rates increased from the current 62.0 per 1,000 adults to the average of the last decade (73.7) by 1995, enrollments would increase to over 1.6 million students, or 14% higher than the current Department of Finance projections.

FIG. 12-1
TOTAL FALL ENROLLMENT
(IN THOUSANDS)



SOURCE: California Department of Finance. (Alternate Forecast by Chancellor's Office, California Community Colleges.)

PUBLIC POLICY

Public policy for the California Community Colleges is established by the Board of Governors and other agencies at the state and federal levels, as well as by local institutions. The following summarizes recent and pending policy changes that have implications for college planning.

BOARD OF GOVERNORS

The Board of Governors is responsible for providing leadership and developing statewide policies for California community colleges. Among other recent policy changes, the Board of Governors has strengthened academic standards, implemented matriculation, and initiated a program to monitor the fiscal health of districts.

In strengthening academic standards, the Board has called on colleges to:

- distinguish pre-collegiate basic skills from adult education,
- require skills prerequisites for certificate and degree courses,
- upgrade student progress standards, with a pre-collegiate unit limit, and
- define student assessment programs through "matriculation."

Matriculation has been funded, and its implementation should improve student success and increase institutional effectiveness by upgrading the following programs and services: admissions; orientation; assessment; advisement and counseling; student follow-up; and research.

Other on-going efforts by the Board which support college planning include: improvements to the Chancellor's Office Management Information System; a cooperative student outcomes study with the Learning Assessment Retention Consortium; completion of a new vocational education student follow-up system; a pilot test of comprehensive planning; grants under the Fund for Instructional Improvement; and continued work with the Accrediting Commission on evaluation techniques.

Board initiatives for 1987-88 and beyond are outlined in its Basic Agenda. A variety of activities are in progress or will begin in the broad areas of:

- securing adequate, predictable, and equitable district funding,
- providing educational excellence in teaching and related activities,
- facilitating student access and success,
- implementing more effective and equitable employment policies,
- and improving and refining the community college system.

STATE-LEVEL REFORM

The Commission for Review of the Master Plan for Higher Education has completed its work and, for community colleges, recommended:

- expanding and strengthening the Board of Governors, largely through delegation of existing legislative authority;

PUBLIC POLICY

- clarifying the colleges' mission by giving top priority to transfer and vocational education;
- calling for elimination of credentials, greater faculty participation in college governance, strengthened peer evaluation, longer probation for tenure, and controlled use of part-time faculty;
- improving student assessment and follow-up programs; and
- shifting to a fiscal structure more like that of higher education (less like that of K-12) and eliminating the cap on funding for enrollment growth.

REFORM LEGISLATION

The Commission's report is being reviewed by the Joint (Legislative) Committee for Review of the Master Plan. Reform legislation (AB 1725) was introduced in 1987, but has been held over for further consideration beginning January 1988. In its current form, AB 1725:

- restates the community colleges' mission;
- delineates state and local board functions, changes state board membership and local board elections;
- enumerates core, general, and other curricula requirements;
- prescribes a detailed student matriculation plan; and
- proposes numerous changes to employment law, eliminating credentials and lengthening probation for tenure, among other provisions.

Finance and certain governance issues are not yet addressed in AB 1725. The Board of Governors and Chancellor's Office have undertaken a thorough review of the bill in anticipation of further amendments in 1988.

LEGISLATION ENACTED IN 1987

The existing mechanism for financing community colleges has been extended for two more years (1987-88 and 1988-89) by AB 306 — with the stipulation that work continue on a new "cost differential mechanism" and that the Chancellor develop a plan to report on college accountability. Other 1987 actions include: (a) an extension of the enrollment fee that changes the fee structure, eliminates the drop fee, restores the health services fee, and continues the Board's Financial Aid Program (AB 2336); (b) continuation of the limit on hiring part-time faculty (SB 630); (c) changes in inmate education funding and emergency apportionments (AB 1551); (d) removal of restrictions on interdistrict atttendance (AB 2061 and SB 1416); (e) extension of the credentialing law for one year; (f) provision for state funding of initial equipping of leased facilities; and (g) continuation of revenue bond sales to support capital outlay (SB 1191).

PUBLIC POLICY

CPEC

The California Postsecondary Education Commission (CPEC), in its role as "adviser to the Legislature and Governor," is responsible for preparing and updating a 5-year plan for postsecondary education (the most recent plan was issued in 1981). Many recent studies by CPEC have dealt with underrepresented groups, financial barriers to access, and student preparation. Current work by CPEC insludes: staff development, setting assumptions (with the Department of Finance) for enrollment projections, reviewing space utilization guidelines, recommending models to articulate "2+2+2" career programs, assessing adult education needs, monitoring community college finance and governance issues, and continuing work on incentive funding and student outcomes assessment.

OTHER SEGMENTS OF PUBLIC EDUCATION

Actions by the other segments of education may have an impact on college planning. These include: (1) an increase in high school graduation standards, beginning 1988, to include more course requirements and competency tests; (2) new admissions requirements for California State University in 1988 specifying subject area requirements like those of the University, a change that could cause increased community college enrollment; and (3) work by the Intersegmental Committee of the Academic Senates on core curricula for general education and for biology that should facilitate transfer.

FEDERAL ACTIONS

Congress is completing work on education spending for 1987-88. While the President had proposed decreases in virtually all federal programs for education, the House of Representatives voted to increase all areas of education, including funding for new programs in adult vocational education (with business), funding for literacy training, and increases for student aid programs. Following the stock market crash in October 1987, Congress and the administration negotiated a deficit reduction compromise in which student loan reductions were specified. Unless further changes are made throughout the budget, however, the Gramm-Rudman-Hollings law will mandate across-the-board reductions in all education programs.

An effort to restore a federal anti-discrimination law that was voided by the Supreme Court's 1984 Grove City ruling is underway. This could have an impact on college affirmative action programs. Also of importance is the new Immigration Reform and Control Act (IRCA), which enables certain undocumented immigrants to apply for citizenship and may increase community college enrollments.

NEW DIRECTIONS FROM THE CHANCELLOR'S OFFICE

EDUCATION CODE REVIEW

The Education Code Review, proposed by the Board of Governors in its 1986 Basic Agenda, is being undertaken in conjunction with pending reform legislation and is designed to clarify and streamline statutes delineating the major respective responsibilities of the Board of Governors and of local governing boards. Legislation will be proposed in 1988 to implement the results of this review.

ACADEMIC PROGRAMS

In addition to implementing the Board policies that strengthen academic standards, Chancellor's Office staff are implementing other aspects of the Board's Basic Agenda to:

- delineate basic skills, adult basic education, and English as a second language (ESL) and enable colleges to meet ESL growth;
- develop core curricula in lower division transfer programs;
- improve articulation with high schools, including support of a 2+2 vocational education pilot program;
- develop appropriate structures for associate degrees;
- expand and refine the Fund for Instructional Improvement;
- help colleges set course-skill requisites;
- implement the matriculaiton program; and
- increase the participation of underrepresented students.

In addition, staff are working to improve program and course approval processes, develop criteria for reviewing assessment procedures, and to develop a framework to certify procedures used by districts for enforcing student progress standards.

VOCATIONAL EDUCATION

The Carl Perkins Vocational Education Act requires that federal funds be used to: (1) improve accessibility to quality vocational education programs, particularly for disadvantaged and handicapped students, (2) expand, improve, or modernize existing vocational education programs, and (3) develop new vocational education programs.

Current district planning under the Perkins Act will cover three years with annual updates and must identify area occupational needs in relation to the needs of students, including the special needs of targeted groups, such as the disadvantaged and handicapped. Plans describe how such needs will be addressed within the three parts of the Act and include a projected budget showing both federal and local matching funds. Plans also should describe how districts work with other providers and how work, under the Act, relates to other programs.

NEW DIRECTIONS FROM THE CHANCELLOR'S OFFICE

STUDENT SERVICES EVALUATION

Districts are being asked to review the evaluation designs developed in the Student Services Program Review project: Admissions and Records, Assessment Services, Career/Life Planning and Counseling, Financial Aid, Job Placement, Student Development/Activities and Tutorial Services. These designs provide districts with standards of evaluation that can be adapted to serve local needs for self-study and evaluation.

DISABLED STUDENT PROGRAMS AND SERVICES (DSPS)

It is anticipated that there will be increased numbers of students with learning disabilities (LD), acquired brain injuries, and AIDS. Matriculation, with its increased placement testing, is likely to result in increased referrals of potential LD students to DSPS. These changes require colleges to re-examine their goals and activities for serving disabled students. Increasingly, colleges will be asked to demonstrate that they are fulfilling their goals and meeting federal and state requirements by maintaining data and by undergoing periodic evaluation of their programs in conjunction with accreditation. Funding mechanisms will move to a cost-per-service orientation.

EXTENDED OPPORTUNITY PROGRAMS AND SERVICES (EOPS)

Legislation (AB 3775), effective January 1, 1985, required that EOPS services be provided by certificated directors. It also required the Board of Governors to adopt rules and regulations establishing goals for these programs. Title 5 regulations for EOPS have been adopted recently and may require changes in EOPS reporting. Like DSPS, it is expected the need for EOPS will continue to increase.

FINANCIAL AID

Important changes in student financial aid have resulted from the reauthorization of the Higher Education Act of 1986. Among the most significant for community colleges are: a completely revised definition of student dependency status; new eligibility requirements for students without a high school diploma; a newly enacted limit on the number of remedial units aid recipients may take; a cap on the number of years a student may recieve a Pell Grant; and potential eligibility, for the first time, of students taking fewer than six units.

GREATER AVENUES FOR INDEPENDENCE

The GAIN Act provides eligible welfare recipients with a wide range of job and support services, as well as basic skills education and employment training. Eligible individuals enter into a negotiated contract with their county welfare agency. Needs for GAIN in community colleges are being assessed by the Chancellor's Office. This work includes a review of programs and client participation in the colleges. Findings will be used to set policy and to plan for local technical assistance.

CALIFORNIA COMMUNITY COLLEGES LOOKING AHEAD **18**

NEW DIRECTIONS FROM THE CHANCELLOR'S OFFICE

MATRICULATION

Implementation of matriculation is proceeding. As quoted from the guidelines for districts that are submitting plans, "Each college stands at a different level of readiness (for matriculation), will take different paths towards full implementation, and will take different amounts of time..."

Each college is expected to move at its own pace, but all should reach full implementation by the end of the third year (1989-90). For planning purposes, it is expected that colleges will spend at least three-fourths of the calculated full implementation cost, while the state provides one-fourth.

FACILITIES

Chancellor's Office staff are reviewing current procedures for the planning of facilities, centers, and colleges. Until this work is completed, however, no changes will be made to capital outlay and deferred maintenance procedures. Districts should continue using these established procedures in meeting needs identified through their respective planning processes.

FINANCE

The Chancellor's Office is implementing a quarterly reporting process to identify districts that are experiencing fiscal instabillity. District planning can complement this process by utilizing long-range projections in order to anticipate fiscal problems.

CONSULTATIVE PROCESS

A new consultative process is being implemented between the Chancellor's Office and the field. This process provides for an Executive Council of Chief Executive Officers through which all proposals and recommendations will be channeled. To provide for appropriate review and input regarding specific issues, other councils are being developed for the Academic Senate, Chief Instructional Officers, students, and special organizations.

MANAGEMENT INFORMATION SYSTEMS

Chancellor's Office staff are working on the first-year of a four-year project to develop a Management Information System (MIS) for the California Community Colleges. The MIS will encompass a comprehensive and integrated database on community college students, programs, courses, staff, services, finance, and facilities. Implementation of data reporting statewide will follow pilot testing (by five districts) of reporting requirements. The implementation schedule is:

Area	1987-88	1988-89	1989-90	1990-91
Students, Programs, Courses	Pilot	Statewide		
Staff, Services		Pilot	Statewide	
Facilities, Finance			Pilot	Statewide

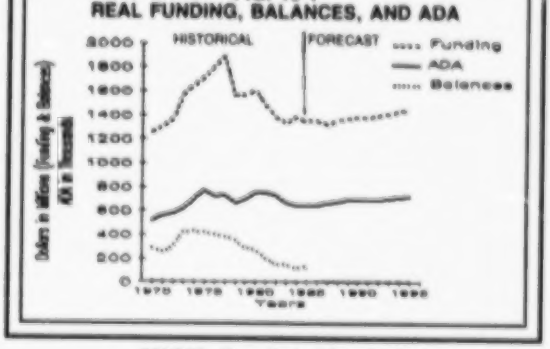
BUDGET TRENDS AND PROJECTIONS

To maintain the state's current level of services, based on the scenario outlined in the economic section and the various statutory cost-of-living adjustments, the Commission on State Finance projects that state General Fund expenditures will increase an average 7.4% annually through the 1995-96 fiscal year. Total state spending would increase from $32.7 billion in 1987-88 to $59.1 billion in 1995-96. This compares to the average General Fund budget increases since 1981-82 of 7.2% annually. In real dollars (current dollars adjusted for inflation) total General Fund expenditures will decline by 1.2% this fiscal year (1987-88), for an average annual increase since 1981-82 of 2.2%.

COMMUNITY COLLEGE TRENDS

Since 1977-78 community college average daily attendance (ADA) has declined by 10%, while real total funding has declined by approximately 30% and real net ending balances have dropped by 63%. This was a significant departure from the decade preceeding 1977-78, when ADA grew at an average annual rate of 12% and real funding and ending balances averaged 11% and 8% annual growth respectively.

FIG. 19-1
REAL FUNDING, BALANCES, AND ADA



SOURCE: Chancellor's Office, California Community Colleges

Using the current statutory funding mechanism, the Commission on State Finance has estimated that total general support for community colleges will increase an average 6.7% in current dollars, or 1.2% annually in constant (real) or inflation- adjusted dollars, through the 1995-96 fiscal year. The expected increase in ADA through the same time period is 1.2% annually.

COST OF LIVING ADJUSTMENT

The most recent forecasts of the percentage changes in the Implicit Price Deflator for State and Local Government Purchases indicate continued moderate increases over the next five years. Except for 1988-89, the more current projections are slightly higher than projections made in the spring of 1987. The Implicit Price Deflator is the statutory cost-of-living adjustment (COLA) factor used in computing community college support. The COLA is based upon the ratio of the deflator for the fourth calendar quarter of the latest available year to the fourth calendar quarter of the prior year. Community college support is statutorily increased each fiscal year by the COLA factor and by increases in average daily attendance based upon changes in the adult population. However, statutory provisions have not always

BUDGET TRENDS AND PROJECTIONS

been adhered to during the budget process. Increases provided for in statute provide one, but not the only, possible scenario for revenue projections by college planners.

IMPLICIT PRICE DEFLATOR FOR STATE AND LOCAL GOVERNMENT PURCHASES — PROJECTED PERCENT CHANGE

Forecast	1988-89	1989-90	1990-91	1991-92	1992-93
Spring '87	4.75%	4.85%	4.70%	4.99%	5.56%
August '87	4.50%	5.20%	5.20%	NA	NA

BUDGET CHANGE PROPOSALS

For the upcoming budget year (1988-89), the Board of Governors has approved budget change proposals (BCP's) to increase general and categorical funding of community college programs, based on inflation and various workload increases. Increases for general apportionments include a 4.6% COLA, 3.0% for ADA growth, plus supplemental growth equivalent to 2.0% additional for ADA growth. Another BCP requests $25 million to partially restore purchasing power lost over the last decade. The BCP's have been submitted to the Department of Finance for possible inclusion in the 1988-89 Governor's Budget.

PROPOSED 1988-89 BUDGET CHANGE PROPOSALS

Program	COLA	Workload Increase
General Apportionment	4.60%	3.0% Total ADA plus 2.0% Credit ADA
Transfer Centers	4.78%	20 Colleges
C.A.R.E.	4.78%	2,625 Students
Foster Parents	4.78%	——
D.S.P.S.	4.78%	3,000 Students
E.O.P.S.	4.78%	6,400 Students

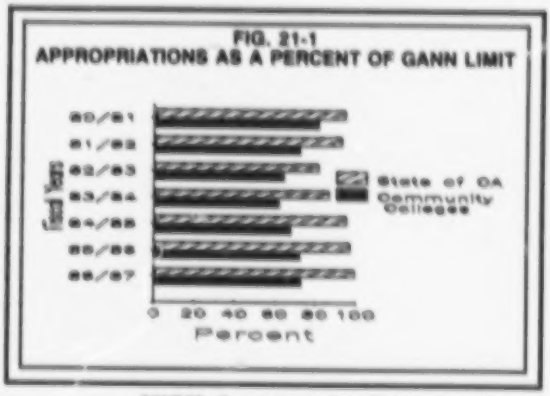
APPROPRIATIONS LIMIT

The State Constitutional Appropriations Limit (Gann Limit) had limited, if any, impact until last fiscal year (1986-87). State spending has been much closer to the appropriations limit than has the aggregate of community colleges — averaging 92.1% and 70.5% of the limit respectively, through 1985-86. In 1986-87 the state exceeded the limit by $1.1 billion, while community college revenue increased only marginally to 73.7% of the aggregated limit. Appropriation limits are based upon tax revenues appropriated in 1978-79 adjusted annually for the change in population (ADA for community colleges) and inflation. Estimates of current and future state limits and allowable

BUDGET TRENDS AND PROJECTIONS

appropriations subject to the limit differ significantly among the Department of Finance and other control agencies. The Department of Finance estimates that 1987-88 appropriations subject to the limit will be approximately $45 million below the limit. Estimates made by the Commission on State Finance, holding certain spending plans constant and maintaining the level of exempt appropriations as a precent of total General Fund and special fund spending, indicate the state will exceed the limit in 1987-88 and each year throughout the forecast period, for a cumulative excess amount of $21 billion through 1995-96.

FIG. 21-1
APPROPRIATIONS AS A PERCENT OF GANN LIMIT



SOURCE: Commission on State Finance (State data) Chancellor's Office, California Community Colleges (College data).

Aside from returning revenue to taxpayers, one option available to the state when the limit is reached is to increase the general support for community colleges. In contrast to the state, when a community college district exceeds its limit, the funds remain with the district and the amount over the limit is absorbed within the state's appropriations that are subject to the limit.

NOTE The current stock market volatility will have a negative impact on state General Fund revenues as a result of the economic changes noted above. The Commission on State Finance anticipates that most of the impact will occur in the 1988-89 fiscal year in the form of lower sales and personal income tax receipts. The outlook for the current year is mixed with possibly higher personal income tax receipts from the sell-off of stocks and lower sales tax receipts due to a decline in wealth and in consumer confidence.

REFERENCES

DEMOGRAPHICS

Population Growth and Age (Figures 2-1, 2-2)

California State Department of Finance
Population Research Unit
1025 P Street
Sacramento, CA 95814
916-322-4651

The Population Research Unit has historical and projected data on age and gender of the population of California's counties. "Population Projections for California's Counties 1980-2020 with Age/Sex Detail" (Report 86 P-3) provides data in five year intervals. Reports by year for specific counties are also available.

Ethnicity and Educational Level (Figures 3-1, 3-2, 4-1)

California State Department of Finance
State Census Data Center
1025 P Street
Sacramento, CA 95814
916-322-4651

The Census Data Center has census data by county. Various Summary Tape File reports [e.g. STF1, STF3] are available which include various census data elements.

K-12 Statistics (Figure 4-2)

California State Department of Finance
Population Research Unit
1025 P Street
Sacramento, CA 95814
916-322-4651

The unit maintains data on K-12 enrollments and develops projections.

Department of Education
Assessment Center
721 Capitol Mall
Sacramento, CA 95814
916-322-2200

This department has data on the California Assessment Test and school rankings with respect to the results of the test.

Department of Education
Education Planning & Information Center
721 Capitol Mall
Sacramento, CA 95814
916-445-0297

This department is responsible for the annual reporting on test results of the Scholastic Aptitude Test.

Disability (Figure 5-1)

California State Department of Rehabilitation
Statistics Section
830 K Street Mall
Sacramento, CA 95814
916-445-9690

The department has data available on estimated persons with disabilities by county (4/29/82). The California Disability Survey (1980) includes summary data on estimated numbers of disabled individuals, prevalence of disabling conditions, disability rates by ethnicity, etc.

Income Level (Figure 5-2)

California State Department of Finance
State Census Data Center
1025 P Street
Sacramento, CA 95814
916-322-4651

Census data are available by county and include income level by ethnicity.

REFERENCES

DEMOGRAPHICS (Continued)

Chancellor's Office
California Community Colleges
Research & Analysis Unit
1107 9th Street, 5th Floor
Sacramento, CA 95814
916-322-4656

The "Study of the Fee Impact" developed by the unit contains data on community college student income.

SOCIAL AND CULTURAL CHANGE

Various sources used for this section include:

Foster, Susan. ***Preventing Teenage Pregnancy: A Public Policy Guide.*** *Washington, D.C.: Council of State Policy and Planning Agencies, 1986.*

Hodgkinson, Harold. ***All One System.*** *Washington D.C.: Institute for Educational Leadership, 1985.*

Singh, Susheela. ***Adolescent Pregnancy in the U.S.: An Interstate Analysis, Family Planning Perspectives.*** *18(5) Sept.-Oct. 1986, 210-220.*

Census Bureau, ***Martial Status and Living Arrangements:*** *March 1987.*

Hodgkinson, Harold. ***California: The State and Its Educational System.*** *(Draft). Washington D.C.: American Council on Education, 1986.*

Chancellor's Office, California Community Colleges and Western Accrediting Commission for Community and Junior Colleges. ***Contours of Change.*** *Sacramento, November 1985.*

TECHNOLOGICAL CHANGE AND JOB MARKETS

(Figures 7-1, 8-1, 8-2, 8-3)

California Employment Development Department
Employment Data and Research Division
800 Capitol Mall
Sacramento, CA 95814
916-427-6696

Employment data are maintained at the state and county levels. Reports include "Projections of Employment 1980-1990" and "Annual Planning Information" (available by county). For selected SMSA's, the department also publishes a quarterly newsletter entitled "Labor Market Bulletin."

Other sources for this section include:

Chancellor's Office and Western Accrediting Commission. ***Contours of Change.*** *Sacramento, November 1985.*

ECONOMY

(Figures 9-1, 9-2, 9-3, 10-1)

Historical Data

California State Department of Finance
Financial and Economic Research Unit
1025 P Street
Sacramento, CA 95814
916-322-2253

The "Economic Report of the Governor" prepared by the department contains state data on such areas as employment, inflation, income, trade, construction, tourism and foreign trade.

Forecasts

Commission on State Finance
915 Capitol Mall, Room 435
Sacramento, CA 95814
916-323-5202

Economic forecasts for the state and the nation are made in a report entitled "Annual Long-term General Fund Forecast."

ERIC Clearinghouse for Junior Colleges

SEP 14 1990

REFERENCES

ENROLLMENT

(Figures 11-1, 11-2, 12-1)

Past Trends

Chancellor's Office
California Community Colleges
Research & Analysis Unit
1107 9th Street, 5th Floor
Sacramento, CA 95814
916-322-4656

The unit publishes the annual "Report on Enrollment" for California Community Colleges. Data include such elements as number and percent of full-time, part-time and non-credit students; age, gender and ethnicity of students; and WSCH for credit classes.

Forecasts

California State Department of Finance
Population Research Unit
1025 P Street
Sacramento, CA 95814
916-322-4651

The department annually prepares projections of enrollment and WSCH by community college district.

PUBLIC POLICY

Various sources were used for this section, to include:

Joint Legislative Committee for Review of the Master Plan for Higher Education ***California Community College Reform, Final Report.*** *Sacramento, January 1987.*

Master Plan (for Higher Education) Review Commission. ***The Challenge of Change: A Reassessment of the California Community Colleges.*** *Sacramento, the Commission, March 1986.*

Commission for the Review of the Master Plan for Higher Education. ***Master Plan Renewed, Unity, Equity, Quality, and Efficiency in California Postsecondary Education.*** *Sacramento, July 1987.*

NEW DIRECTIONS FROM THE CHANCELLOR'S OFFICE

Chancellor's Office
California Community Colleges
1107 9th Street
Sacramento, CA 95814

Research and Analysis Unit	916-322-4656
Education Standards/Eval.	916-322-6880
Employment Training	916-322-4004
Facilities Planning	916-445-8283
Governmental Relations	916-445-5207
Legal Affairs	916-445-4826
Management Information System	916-445-8753
Vocational Education	916-445-0486
Transfer Education and Articulation	916-322-6880
Fiscal Services	916-445-1163

Individual units within the Chancellor's Office have prepared information on upcoming activities.

BUDGET TRENDS AND PROJECTIONS

(Figures 19-1 & 21-1)

Chancellor's Office
California Community Colleges
Fiscal Services Unit
1107 9th Street
Sacramento, CA 95814
916-445-1163

Data on budget expenditures and projections are available through the Chancellor's Office.

Commission on State Finance
915 Capitol Mall, Room 435
Sacramento, CA 95814
916-323-5202

The "Annual Longterm General Fund Forecast (Spring 1987)" and the "Quarterly General Fund Forecast (Spring 1987)" contain data on state expenditures.